



Fund

Fund Council

8th Meeting (FC8)—Punta del Este, Uruguay

October 31 - November 1, 2012

**Request for Proposal - Consultancy to Conduct a
"CGIAR Consortium Governance Review"**

(The Governance Review will be jointly
commissioned by the FC and the Consortium.)

*Document presented for Agenda Item 2:
Update of IITA and Governance in CGIAR*

*Submitted by:
Consortium Office*

Request for proposal

Consultancy to conduct a “CGIAR Consortium Governance Review” Commissioned by the CGIAR Consortium

1. Context

- a) The CGIAR is a global partnership that unites organizations engaged in research for sustainable development with the funders of this work¹. The funders include developing and industrialized country governments, foundations, and international and regional organizations. The work they support is carried out by 15 members of the Consortium of International Agricultural Research Centers (**CGIAR Consortium**), in close collaboration with hundreds of partner organizations, including national and regional research institutes, civil society organizations, academia, and the private sector. www.cgiar.org - www.consortium.cgiar.org;
- b) CGIAR’s vision is to reduce poverty and hunger, improve human health and nutrition, and enhance ecosystem resilience through high-quality international agricultural research, partnership and leadership. The CGIAR’s Strategy and Results Framework (**SRF**) defines four system-level outcomes that shape the CGIAR’s research priorities and activities: reduced rural poverty, improved food security, improved nutrition and health, sustainably managed natural resources;
- c) The CGIAR Consortium was established as an international organization on 2 March 2012 and is made up of 15 members (the International Agricultural Research Centers) engaged in research for a food secure future. Before becoming an international organization, the CGIAR Consortium already existed since 29 April 2010 as a contractual joint venture established by its 15 members. The CGIAR Consortium’s main role is to lead the development and oversee the implementation of the CGIAR’s SRF, including the CGIAR Research Programs (**CRPs**) which are major programs of research reaching across the CGIAR Consortium’s members and their partners;
- d) In December 2009, the CGIAR adopted a new institutional model designed to improve delivery of its research results in an ever-changing global environment. The new model emphasizes a more results-oriented research agenda, clearer accountability across the CGIAR, and streamlined CRPs. The core elements of the new CGIAR are the CGIAR Fund and the CGIAR Consortium. The CGIAR Fund harmonizes donor contributions to improve the quality and quantity of funding available, engender greater financial stability, and reverse the trend toward restricted funding for the implementation of the SRF. The CGIAR Consortium manages the allocation of funds to meet priorities identified in the SRF, and serves as a central point of fiduciary and operational accountability for the implementation of CRPs and the use of funds provided for CRPs (other than financial oversight of the use of Window 3 Funds). At the same time, the CGIAR system is designed to ensure that appropriate fiduciary responsibilities are imposed, without any gaps, on all the organizations involved in implementing the CRPs;
- e) The CGIAR Consortium and the Fund Council of the CGIAR Fund enter into program performance agreements for the delivery of research through the portfolio of CRPs. The CGIAR Consortium in turn enters into performance agreements with Lead Centers of CRPs to implement the research. These new contractual arrangements are meant to strengthen accountability and the delivery of research results;

¹ CGIAR is not a legal entity or partnership. It is defined in the CGIAR Glossary as meaning “the global scientific research-for-development partnership consisting of the Consortium, Centers, CGIAR Funders, Partners and other CGIAR Participants to implement the SRF based on the goals expressed in the CGIAR Principles and the aspirations expressed in the Joint Declaration”.



- f) On 24 September 2012, the Consortium Board established an ad hoc committee of the Consortium Board called the Governance, Risk and Compliance Committee (**Governance Committee**). The purpose of the Governance Committee is to assist the Consortium Board and the Center Boards in fulfilling their governance responsibilities. The Consultant will work for, and be managed by, the Governance Committee.
- g) The Consortium Board Chair, Consortium CEO, Center Board Chairs and Directors General have planned to hold a retreat focused on governance which will take place on 8 and 9 December 2012, in Washington DC. The purpose of this retreat will be (a) to map the current system of governance in the CGIAR, (b) to identify the major functions demanded of the governance structure, (c) to identify and discuss the gaps and areas in need for improvement, and (d) to determine priorities and process to move towards solutions. The Governance Committee is charged with organizing and developing a detailed agenda for this retreat, and a Consultant has been commissioned to prepare a *functional and strategic overview of governance in the CGIAR* so that the points mentioned above can be successfully covered during the Governance Retreat;
- h) The consultancy that is the subject matter of this Request for Proposal arises from a need identified by the Fund Council together with the CGIAR Consortium and its members to conduct a **more detailed and evidenced-based Governance Review** of the CGIAR Consortium and its 15 members in order to describe and assess the governance structures and controls in place across the CGIAR, including the interactions among Member Centers, Consortium and Fund Council. This consultancy will support the Governance Committee in its work providing recommendations to the Consortium Board and Center Boards to improve them where necessary; See Annex 1 for more details on Governance Review;
- i) The Governance Review is commissioned by the CGIAR Consortium. This Review contributes to the information available to the Consortium Board in fulfilling its governance, risk and compliance responsibilities. In particular, the Consortium Board is responsible for ensuring that the governance controls in the CGIAR Consortium are properly structured and implemented. The review also supports a critical and timely collaborative process begun this year among all Member Centers to seek best governance practices.

2. Purpose of this Request for Proposal

The purpose of this Request for Proposal is to invite submissions of proposals to conduct Phase 1 of the CGIAR Consortium Governance Review described in **Annex 1** attached hereto.

3. Duration of Assignment

It is anticipated that a decision will be made to select a contractor by [REDACTED], and that the contract with the selected contractor will be effective as of [REDACTED] 2012 until [REDACTED], on which date the selected contractor shall submit its final report of Phase 1 of the review to the Governance Committee of the Consortium Board.

4. Scope of Services

The CGIAR Consortium may, in its discretion, consider a Proposal for part of the required services, with due consideration given to the unit prices and the available funds. However, the CGIAR Consortium would prefer that Proposals address the full scope of services. If the successful Bidder does not have all the expertise for the assignment, there is no objection to the Bidder subcontracting another firm/institution, to enable a full range of expertise to be implemented. Any invited firm/institution may not participate in more than one consolidated Proposal.

5. Language

The Proposal prepared by the Bidder and all correspondence and documents of the consultancy shall be in English.

6. Qualification and Expertise

The assignment will require a high level of technical competence in Organizational Development, Administrative Rules and Procedures, Human Resources Management, Conditions of Service, Financial Management Systems and Corporate Governance preferably at regional and/or international level and in complex organizational environments.

Therefore, Bidders should have:

- a. Demonstrated experience on reforms in Public Sector research institutions and/or Regional or International Organizations;
- b. Organizational Development, Financial Management Systems, and Corporate Governance, preferably at regional and/or international level;
- c. Excellent written and oral English.

7. Proposal Details

The Proposal should include the following:

- a. Details of the firm
- b. CVs of the individuals who will be assigned to carry out the work;
- b. Details of the experience of the firm and individuals relevant to this assignment;
- c. Detailed work plan and the proposed methodology, which shall include full justification for procedures to be adopted;
- d. Financial proposal in US\$; and
- e. Three references on recent relevant work by the firm or individual.

8. Award of Contract

Proposals could form the basis for a contract between your firm/institution and the CGIAR Consortium. This letter is not to be construed in any way as an offer to contract with your firm/institution. The CGIAR Consortium reserves the right to accept or reject any Proposal and to annul the solicitation process and reject all Proposals at any time prior to the awarding of the contract, without incurring any liability to the Bidder or any obligation to inform the Bidder or Bidders of the grounds for the CGIAR Consortium's action. The CGIAR Consortium will award the contract to the qualified Bidder whose Proposal, after being evaluated, is considered to be the most appropriate for the needs of the CGIAR Consortium and activity concerned.

9. Submission of Proposals

Proposals must be submitted by email on or before to: Vinciane Koenigsfeld email: v.koenigsfeld@cgiar.org

Physical Address for hard copies: C/O Vinciane Koenigsfeld, Consortium Office: Agropolis International, 1000 Avenue Agropolis, F-34394 Montpellier, Cedex 5, France.

Annex 1

Description of CGIAR Consortium Governance Review

The purpose of the CGIAR Consortium Governance Review is to describe and assess the governance structures and controls in place at both the CGIAR Consortium and Center levels, and propose solutions to the Consortium Board and Center Boards to improve them where appropriate.

The overall goal of the governance review is to assess the governance structures, processes, and controls in place that support how decisions are made, communicated, monitored, and assessed. The review will support future work to ensure that the Consortium Board and Center Boards exercise proper oversight over the financial management of CGIAR funds and that authority, accountability, stewardship, leadership, direction and control are properly exercised.

This Review will be detailed and evidence-based and will be conducted in multiple phases to ensure that it is conducted efficiently and effectively and to allow for adjustments in how the review is conducted based on information collected as the review progresses. The Review will cover the CGIAR Consortium as well as all 15 of its members. In so doing, it may also become necessary to involve the Fund Council due to the accountability relationships with the CGIAR Consortium.

The proposed phases of the review are as follows:

Phase	Scope of Work	Timeline
Phase 1	Review and assess the governance structures and controls in the CGIAR Consortium, Member Centers, and Fund Council; identify gaps in governance structures and, where possible, provide information on possible solutions.	Report submitted to the Governance Committee by <u> </u>
Phase 2	Evaluate the CGIAR Consortium and its members' compliance with CGIAR agreements and internal governance policies (i.e. how these operate in practice) ; make recommendations to improve governance and compliance	To be discussed between the CGIAR Consortium, its members and the Fund Council

Phase 1:

Phase 1 of the review will be conducted over a period of (from to) and will consist of the following:

- Describe the governance structures and controls in place at CGIAR Consortium, Member Centers, and Fund Council. For the CGIAR Consortium, 15 Member Centers, and the Fund Council, the roles and responsibilities of the governing bodies, their governance policies and procedures, their Board structure (size, composition, competencies, nomination

- and appointment process) and Board committee structure (role, charters, policies, composition, competencies);
- Assess such governance structures and controls in place, and identify potential gaps and/or mismatches between accountability and/or responsibility as compared with authority as well as control systems ; and
- Provide, where possible, a range of solutions that address gaps in governance structures and controls; these solutions will be discussed in a collaborative process among Member Centers and Consortium Board to result in recommendations to the Consortium Board that may potentially include the development of common policies and guidelines (internal to the CGIAR Consortium or for inclusion in the Common Operational Framework), best practices, board composition guidelines, control mechanisms, and minimum standards for investment and other policies.

See Annex 2 attached hereto for additional details on scope of work of Phase 1.

The final report for Phase 1 of the Review, including the recommendations, will need to be finalized and submitted by Consultant to the Governance Committee by [REDACTED].

Phase 2:

On the basis of the report and recommendations arising from the collaborative process among Member Centers and Consortium Board, the CGIAR Consortium will propose to the Fund Council, in [REDACTED] 2013, a final work plan for Phase 2 and timeline for the development of a number of common governance policies (either CGIAR Consortium internal policies or for inclusion in the Common Operational Framework), such as Investment, Conflict of interest and Annual Disclosure and Whistleblower policies.

We anticipate that Phase 2 will review in greater depth how governance structures are being operated in practice in the CGIAR Consortium and its members, and may result in further recommendations. At this time, we anticipate that Phase 2 will consist of the following – and will be completed by mid-2013:

- Determine to what extent the CGIAR, including the Consortium Board, Member Centers, and Fund Council are following the governance requirements imposed by the CGIAR System agreements and their own internal governance and internal controls policies;
- Review whether the Consortium Board, Member Center Boards, and Fund Council have made decisions with respect to governance and internal controls that were not consistent with the CGIAR System requirements and internal policies and review the impact of such decisions;
- Determine any areas in which the CGIAR Consortium Board, Member Centers, and Fund Council are not meeting accepted best practices in corporate governance and internal controls;
- Review the effectiveness of the training provided to the members of the Consortium Board and center Boards;
- Evaluate the collective competencies of members of the Consortium Board, Center Boards, and Fund Council;
- Provide input to the Governance Committee's process of identifying further recommendations to improve governance in the CGIAR Consortium as a whole.

Annex 2

Additional details on Scope of Work for Phase 1

Assessment of the CGIAR Consortium Board and Center Boards

1. Organizing Documents
 - a. Review organizing documents for each entity, including Articles of Incorporation and Bylaws.
 - b. Ascertain what local laws are relevant/applicable to each entity
2. Governance and other relevant Policies
 - a. Review governance and other relevant policies, including Conflict of Interest Policy and Annual Disclosure, Whistleblower Policy, Document Retention Policy and Investment Policy.
3. Board of Directors structure
 - a. Review Board size and composition, including Board members' competency/qualification in various areas, such as financial management, internal control, accountability, investment management, human resource management, ITC and scientific research and programmatic expertise, etc..
 - b. Review composition and mandate of all Board committees.
 - c. Review Board and all Committee minutes for 2011 meetings (and possibly in 2010 if relevant) and interview the Board Chair and various Committee Chairs (as appropriate) and a select number of Board members to review Board participation and decision making.
 - d. Review Board and Committee nomination and appointment processes.
 - e. Review Board process for reviewing and approving annual budget, financial statements, investment management, risk register, HR policies and salary scales.
 - f. Review Board relationship with external auditor, internal auditor, chief financial officer and any external investment managers, including where relevant terms of appointment of external advisors.
4. Board Committee structure
 - a. Review charters, policies and minutes for Committees responsible for overseeing audits, financial and investment management, and governance and board nomination process.
 - b. Review role of Committees and their relationship to Board as a whole, including transparency of operations and delegation of duties.
5. Board training
 - a. Review training/orientation for Board members on fiduciary duties, governance, organization, including CGIAR structure.
 - b. Review whether the Board periodically evaluates the performance of individual Board members, Secretary and its own effectiveness.
6. Scope and function
 - a. Identify primary governance responsibilities of the System as a whole in practice (e.g. oversight of *allocation* of CRP funds, fiduciary accountability for CRP funds, oversight of reputational risk, etc.)

- b. Map the current practices of decision-making, oversight, and information flows, including CRP governance, Member Center Boards, Consortium Board, and Fund Council.
 - c. Identify gaps and areas needing improvement where there the principles of fairness, accountability, independence, and transparency may not be consistent with good governance standards.
 - d. Provide, where possible, a range of possible solutions that might address the gaps.
- 7. Additional Assessment of Consortium Board

In addition to the assessment described above, the CGIAR Consortium's oversight of the use of CGIAR Funds will also need to be assessed, and in particular the mechanisms by which the CGIAR Consortium explains to the Centers the roles and responsibilities that the Centers have in overseeing the use of CGIAR funds and how the CGIAR Consortium evaluates whether the Centers have appropriate governance structures and internal controls in place to oversee the financial management of the CGIAR funds. This will be a two-way assessment to also assess how the Centers respond to the CGIAR Consortium and whether the Centers are receiving an appropriate mix of advice, support and feedback.

Thus the review would include the following:

- a. Review whether the Consortium provides to the Centers guidance on requirements imposed by the CGIAR system and best practices on audit, governance, risk, financial and investment management, internal controls and accountability as well as relevant HR policies.
- b. Review whether the Centers find this guidance useful and of an appropriate nature given the specific requirements of Centers may vary.
- c. Review how the Centers evaluate and implement this guidance.
- d. Review whether there is a Consortium Board committee designated with the responsibility to review periodically the governance structures and internal controls implemented by the Centers to ensure appropriate financial management of CGIAR funds.
- e. Review the reporting requirements and mechanisms in place for the Centers to report the use and, if necessary, misuse of CGIAR funds to the Consortium.